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C O N F I D E N T I A L BRASILIA 000825

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STATE FOR WHA AND PM

E.O. 12958: DECL: 06/25/2019

TAGS: MASS PREL BR

SUBJECT: BRAZIL'S FIGHTER COMPETITION: AMBASSADOR'S CONVERSATION WITH MOD JOBIM

REF: BRASILIA 795

Classified By: Ambassador Clifford Sobel. Reason 1.4(D)

¶11. (C) In a private June 26 meeting with Ambassador Sobel on the margins of a lunch including Presidential Advisors Marco Aurelio Garcia and Gilberto Carvalho, MOD Jobim said he believes he has the information he needs to discuss Brazil's fighter purchase with President Lula once the Air Force makes a recommendation. Jobim told the Ambassador that he expects to receive the Air Force's position in July, after which he will be able "to speak politically." Jobim emphasized that tech transfer would be the key factor in Brazil's decision, although he declined to be drawn into discussing whether he thought Boeing's tech transfer offer the best. He did say that he was convinced Boeing was "sincere" in its offer. Ambassador Sobel asked whether, in the event that the Air Force recommended the Super Hornet, Jobim would endorse the recommendation. The Minister said he had the information he needed to support the Super Hornet. He cautioned that he does not currently know "where Lula is" on the matter.

¶12. (C) Turning to the question of industrial cooperation, Jobim believed that there was increasing interest in Boeing's offset package. He reported that he had recently discussed the issue with Embraer President Frederico Curado who had said Embraer's priority was job creation and that Curado was interested in what he described as building partnership with Boeing. Jobim was also impressed by the breadth of Boeing's prospective industrial cooperation, encompassing major firms such as Embraer and Avibras, companies with strong political connections such as Santo Labs, and even a business in Porto Allegre, in Jobim's home state of Rio Grande do Sul. Jobim said he planned to meet with Boeing officials in early July to learn more about the offset package.

¶13. (C) Embassy Comment. Embassy believes Jobim's remarks were intended to convey the sense that Boeing is in a strong position to come out of the Air Force phase of the selection process as a front runner. Should it do so, Jobim will likely be willing to offer his support. The key decision, however, will be with the National Defense Council, in particular President Lula. Should Lula prefer one of the competitors, it is likely Jobim would go along. For this reason, USG engagement with Brazil at the highest levels assumes even greater importance as we have a narrowing window to influence the final decision.

SOBEL